

Honolulu, Hawaii

March 21, 2014

RE: S.B. No. 718
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which
was referred S.B. No. 718, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose of this measure is to invest in new engines of
economic growth in Hawaii by appropriating funds to the Hawaii
Strategic Development Corporation for the HI Growth Initiative, a
comprehensive state-level program that supports entrepreneurial
high-growth businesses and creates high-wage jobs through research
commercialization, entrepreneur mentoring, and the mobilization of
startup investment capital.

The Department of Business, Economic Development, and
Tourism, Chamber of Commerce of Hawaii, Hawaii Strategic
Development Corporation, High Technology Development Corporation,
Blue Startups, Global Virtual Studio, Hawaii Fashion Incubator,
Hawaii TechWorks, TeraSys Technologies, Hawaii Business
Roundtable, The Cut Collective, Ten Tomorrow, Energy Excelerator,
and numerous individuals testified in support of this measure.

Hawaii needs new strategies to develop long-term economic
growth and high-wage jobs. According to the National Governors
Association, fostering an entrepreneurial business environment is
a proven approach to achieving these goals.



Recognizing that providing resources to promote an innovation infrastructure would encourage Hawaii's creative and entrepreneurial talent to remain in Hawaii and develop ideas into high growth business ventures that would contribute to diversifying the State's economy and create jobs, the Legislature passed H.B. No. 858 C.D. 1, Regular Session of 2013, enacted as Act 274, Session Laws of Hawaii 2013, which appropriated funds for the HI Growth Initiative. However, funding is still needed to continue the momentum of, and recent success experienced by, the HI Growth Initiative.

While your Committee realizes that providing resources to promote an innovation economy helps to develop long-term economic growth, your Committee also notes that continuing to support agriculture as an economic driver in the State, particularly for the island of Hawaii, through growth and diversification of the agricultural industry is also critical to the State's economic growth. Accordingly, your Committee has amended this measure by inserting language that:

- (1) Authorizes the Department of Business, Economic Development, and Tourism, in collaboration with the Department of Agriculture, to perform:
 - (A) Planning and feasibility studies for one or more quarantine inspection, quarantine treatment, deconsolidation, and consolidation facilities on the island of Hawaii; and
 - (B) A marketing and economic impact analysis for one or more of the facilities;
- (2) Requires the Department of Business, Economic Development, and Tourism to submit a report to the Legislature on the studies and analysis; and
- (3) Appropriates unspecified funds for the economic analysis.

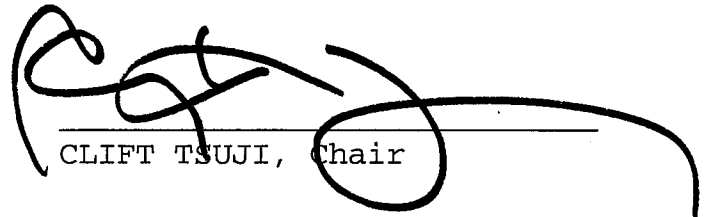
Technical, Nonsubstantive amendments have also been made for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 718, S.D. 2, as amended herein, and recommends



that it pass Second Reading in the form attached hereto as S.B. No. 718, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,



CLIFT TSUJI, Chair



HSR 1142-14

Bill/Resolution No.: SB718 802		Committee Referral: EDB FIN		Date: 3/18/14	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.					
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)					
EDB Members		Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)		/			
2. WARD, Gene (VC)		/			
3. AWANA, Karen		/			
4. BROWER, Tom		/			
5. CACHOLA, Romy M.		/			
6. ITO, Ken		/			
7. CHOY, Isaac W.		/			
8. OHNO, Takashi		/			
9. ONISHI, Richard H.K.		/			
10. TOKIOKA, James Kunane		/			
11. WOOLEY, Jessica		/			
TOTAL (11)		11			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature: _____					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					